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an existing center to establish a new center at a different geographical location pursuant to proposed §366.2(b)(2) are not included in determining the level of funding to the existing center in any fiscal year that the new center applies for and receives funds as a separate center.

- (2) Existing centers that meet the requirements of paragraph (a)(1) of this section then receive a cost-of-living increase in accordance with procedures consistent with section 721(c)(3) of the Act.
- (3) New centers, as described in §366.2(b), that comply with the standards and assurances in section 725(b) and (c) of the Act and subparts F and G of this part.
- (b) If, after meeting the priorities in paragraphs (a)(1) and (2) of this section, there are insufficient funds under the State's allotment under section 721(c) and (d) of the Act to fund a new center under paragraph (a)(3) of this section, the Secretary may—
- (1) Use the excess funds in the State to assist existing centers consistent with the State plan; or
- (2) Reallot these funds in accordance with section 721(d) of the Act.

(Approved by the Office of Management and Budget under control number 1820–0018)

(Authority: 29 U.S.C. 711(c) and 796f-1(e))

§ 366.23 What grants must be made to existing eligible agencies?

- (a) In accordance with the order of priorities established in §366.22, an eligible agency may receive a grant if the eligible agency demonstrates in its application that it—
- (1) Meets the requirements in §366.21 or §366.24;
- (2) Is receiving funds under part C of title VII of the Act on September 30, 1993; and
- (3) Is in compliance with the program and fiscal standards and assurances in section 725(b) and (c) of the Act and subparts F and G of this part. (The indicators of minimum compliance in subpart G of this part are used to determine compliance with the evaluation standards in section 725(b) of the Act.)
- (b) For purposes of this section, an eligible agency is receiving funds under part C of title VII of the Act on Sep-

tember 30, 1993, if it was awarded a grant on or before that date, i.e., during FY 1993.

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(Authority: 29 U.S.C. 796f-1(c))

§ 366.24 How is an award made to a new center?

- (a) To apply for a grant as a new center, an eligible agency shall—
- (1) Meet the requirements of § 366.2(b);
- (2) Submit an application that meets the requirements of § 366.21; and
- (3) Meet the requirements of this section
- (b) Subject to the order of priorities established in §366.22, a grant for a new center may be awarded to the most qualified eligible agency that applies for funds under this section, if—
- (1)(i) No center serves a geographic area of a State; or
- (ii) A geographic area of a State is underserved by centers serving other areas of the State;
- (2) The eligible agency proposes to serve the geographic area that is unserved or underserved in the State; and
- (3) The increase in the allotment of the State under section 721 of the Act for a fiscal year, as compared with the immediately preceding fiscal year, is sufficient to support an additional center in the State.
- (c) The establishment of a new center under this subpart must be consistent with the design included in the State plan pursuant to 34 CFR 364.25 for establishing a statewide network of centers.
- (d) An applicant may satisfy the requirements of paragraph (c) of this section by submitting appropriate documentation demonstrating that the establishment of a new center is consistent with the design in the State plan required by 34 CFR 364.25.

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(Authority: 29 U.S.C. 796f-1(d))